

Comptroller's Directive 1-05
Attachment HE-10
Financial Statement Template

Purpose

To obtain financial statement and footnote information from each higher education institution (HEI*) including blended component units of the HEI. This attachment has a financial statement template (FST) and footnote tabs. It also has a Combining FST and footnote tabs for foundation** information. This is similar to prior year Attachment HE-10.

***HEI** referred to in this attachment is defined as the higher education institution and any blended component units.

****Foundation** referred to in this attachment is defined as a foundation/entity that is a discrete component unit of the HEI as required by GASBS No. 39.

Applicable institutions

All institutions **must** complete this attachment.

Note: The following tabs must be completed by all HEIs: FST, TAB 5.1, TAB 6, TAB 7, and TAB 8. The following tabs must be completed by all HEIs that have foundation(s): Combining FST, TAB F6, and TAB F7. The remaining TABS must be completed if the HEI or the foundation(s) have amounts reported on certain line items or certain conditions exist.

Due date

September 29, 2005

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Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the excel file, DO NOT RENAME THE FILE. The filename provided by DOA is the institution's acronym followed by FST. For example, VCCS has the filename VCCS-FST.xls. This file includes the financial statement template, combining financial statement template, twenty-one footnote tabs, and the Revision Control Log tab.

Submit the excel file electronically to finrept@doa.virginia.gov.

Copy APA via E-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of this spreadsheet.

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab (RCL) in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Additional guidance

See the **Financial Statement Template Preparation for Higher Education Institutions, Additional Guidelines for Preparation of the Financial Statement Template**, and **Combining Financial Statement Template Preparation for Foundation(s)** sections in the Office of the Comptroller's Directive 1-05 for additional guidance in completing this attachment.

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Summary of Attachment Changes

**Changes from
the prior year's
attachment**

There are only a few changes to this attachment. Below is a summary of changes.

- The FST has been revised to include a fluctuation analysis for foundation(s) current year and prior year amounts. Institutions must provide explanations for significant fluctuations. Two materiality scopes must be determined. One for the HEI total amounts and one for the Foundation(s) total amounts.
 - TAB 1A, GASBS 3, Parts 2 and 3 have been revised. These revised parts link to amounts reported on the FST for the cash, cash equivalents, and investments not held with the Treasurer of Virginia (including restricted cash, cash equivalent, and investments not held with the Treasurer of Virginia). Attachment HE-10A must be completed for these line items for GASBS 40 footnote information.
 - The prior year's TAB 1B and 1C, GASBS 3, have been eliminated. The prior year's TAB 1D, GASBS 31, has been renumbered to TAB 1B.
 - TAB 7 and F7, Miscellaneous, have a new Part 11, Other Liabilities. Description and amounts must be provided for the items that are reported on this line item.
 - TAB 9, Eliminations, is a new tab. This is to identify whether asset or liability elimination entries reported on the FST are for the HEI and/or foundation amounts.
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Financial Statement Template (FST)

Columns

The HEI must enter amounts in the column titled “**HEI Total Year-End June 30, 2005.**” As noted on page 1, HEI is defined as the higher education institution and any blended component units. **Footnote TABS 1A, 1B, and 2 to 8** must be completed for amounts reported in this column.

The column “**Foundation(s) Year-End Totals**” is linked to the “Foundation(s) Year-End Totals” column on the Combining FST.

The HEI must enter amounts in the column titled “**Elimination Entries.**” Significant intrafund balance/activity amounts among the HEI and the foundation(s) must be eliminated in this column. The elimination entries should not affect the ending net asset balances. TAB 9, Eliminations, is a new tab and must be completed for any elimination entries to asset or liability line items. Any significant intrafund balance/activity amounts not eliminated must be identified and reported on TAB F8, Intrafund.

The “**Combined Total**” column sums the three columns and will be linked to the CAFR.

The **fluctuation analysis** is comparing the HEI Total Year-End June 30, 2005 amounts with the prior year totals reported to DOA on the FY 2004 Attachment HE-10, FST. Since this is the second year for reporting foundations, an **additional fluctuation analysis** is required and compares the current year's Foundation(s) Year-End Totals to the prior year's amounts. Two sets of materiality scopes must be calculated. See the **Additional Guidelines for Preparation of the Financial Statement**.

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Financial Statement Template (FST), *continued*

**Elimination
Entries**

The line items listed below may be used to record significant balance/activity amounts among the HEI and the foundation(s) and must be eliminated in the elimination entry column.

- Due from Foundation(s)
- Due to Foundation(s)
- Due from Higher Education Institution
- Due to Higher Education Institution
- Payments/Support from Foundation(s)
- Payments/Support to Foundation(s)
- Payments/Support from the Higher Education Institution
- Payments/Support to the Higher Education Institution

Any significant intrafund balance/activity amounts recorded on other line items must also be eliminated.

TAB 9, Eliminations, is a new tab and must be completed for any elimination entries to asset or liability line items. The reason for this new tab is because if an elimination entry is to a line item that has a footnote, the footnote must be revised. TAB 9 will identify the applicable footnote and direct the HEI to the appropriate file.

Any significant intrafund balance/activity amounts not eliminated because the foundation(s) has a December 31st year-end must be reported on TAB F8, Intrafund.

Note: While there is no set definition for significance, the HEI should consider the impact the activity would have on a CAFR user. If the activity would lead a CAFR user to reach an incorrect understanding of the HEI's activity, then it should be eliminated. In instances requiring elimination, it is possible that the amounts reported by the HEI and foundations may not agree exactly. The HEI should use professional judgement to reclassify any residual balances to another line item, as appropriate.

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Combining Financial Statement Template

Columns

The **Combining Financial Statement Template (Combining FST)** is a tab to record foundation financial information. Most HEIs have at least one **foundation**. As stated on page 1, a foundation is defined for this attachment as a discrete component unit of the HEI as required by GASBS No. 39. The number of foundations for each HEI vary from one to seven. The Combining FST has up to eight columns that can be used to record foundation amounts. Four of these columns are hidden for most of the HEIs because they have less than four foundations to report. A separate column must be used for each foundation. Record the foundation name, year-end date, and amounts. **Footnote TABS F1 to F9** must be completed for each foundation. The foundation name and year-end date on the footnote tabs are linked to the Combining FST.

The HEI must key amounts in the column titled “**Elimination Entries**.” Significant intrafund balance/activity amounts among the foundations of the HEI must be eliminated in this column. The elimination entries should not affect the ending net asset balances. Of course, this column does not apply to those HEIs with only one foundation.

The FST is linked to the “**Foundation(s) Year-End Totals**”.

Calendar year-end

If a foundation has a December 31st rather than a June 30th year-end, the HEI must report the foundation's amounts as of December 31, 2004.

Note: Any significant intrafund balance/activity amounts not eliminated because of a calendar rather than fiscal year-end must be identified and reported on TAB F8, Intrafund.

Line items

The line items on the Combining FST mirror the FST except for those that only apply to the HEI. (For example, Appropriations Available, State Appropriation Revenue, etc.)

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GASBS 3 & GASBS 31 Footnote Information for HEI (TABS 1A, 1B)

Purpose

TAB 1A has been revised and is used to obtain information regarding cash, cash equivalents and investments.

TABS 1B and 1C have been eliminated. Attachment HE-10A is new and is to obtain GASBS No. 3 and GASBS No. 40 footnote information for cash, cash equivalents, and investments **not** with the Treasurer of Virginia (including restricted cash, cash equivalents, and investments **not** with the Treasurer of Virginia.)

The prior year's TAB 1D has been renumbered to TAB 1B. This tab is to obtain GASBS No. 31 information.

Definitions

For purposes of this Directive, the following definitions apply:

Cash – the standard medium of exchange (paper currency) that must be readily available for the payment of current obligations, and it must be free from any contractual restriction that limits its use in satisfying debts.

Cash Equivalents – instruments or investments of such high liquidity (original maturity of 90 days or less) and low risk that they are virtually as good as cash. Examples are a nonnegotiable certificate of deposit, money market fund, Treasury bill, and monies in the State Non-Arbitrage Program (SNAP). Whether an asset is a cash equivalent is determined only once based on the length of the original maturity when the asset is first acquired.

Investments – securities and other assets acquired primarily for the purpose of obtaining income or profit with an original maturity greater than 90 days. This includes securities, which are transferable financial instruments that evidence ownership or creditorship.

Security – generally, an instrument evidencing debt of or equity in a common enterprise in which a person invests on the expectation of financial gain. The term includes notes, stocks, bonds, debentures or other forms of negotiable and nonnegotiable evidences of indebtedness or ownership.

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GASBS 3 and GASBS 31 Footnote Information for HEI (TABS 1A, 1B),
continued

**Completing
TAB 1A**

Follow the procedures below:

Part No.	Guideline
1	<p>Report the institution's CARS GLA 101 balance, excluding Fund 0100. This amount should agree to Cash held with Treasurer of VA line item on the Statement of Net Assets. (Note: All General Fund (0100) cash should be classified as appropriation available on the Statement of Net Assets.) Report amounts by fund on the attachment.</p> <p>If the total amount reported does not equal CARS GLA 101, excluding Fund 0100, submit a reconciliation by fund and project with the attachment.</p>
2	<p>This section is different from the prior year. Amounts for the following line items are linked to the FST.</p> <ul style="list-style-type: none">• Cash not held with Treasurer of Virginia• Restricted Cash not held with Treasurer of Virginia <p>The total of these amounts must be recorded on Attachment HE-10A-detail tab – Part 1a. Attachment HE-10A requires additional footnote information on these line items.</p>
3	<p>This section is different from the prior year. Amounts for the following line items are linked to the FST.</p> <ul style="list-style-type: none">• Cash Equivalents not held with Treasurer of Virginia• Restricted Cash Equivalents not held with Treasurer of Virginia• Investments not held with Treasurer of Virginia• Restricted Investments not held with Treasurer of Virginia <p>The total of these amounts must be recorded on Attachment HE-10A-detail tab – Part 3. Attachment HE-10A requires additional footnote information on these line items.</p>

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GASBS 3 and GASBS 31 Footnote Information for HEI (TABS 1A, 1B),
continued

**Completing
TAB 1A**

Follow the procedures below:

Part No.	Guideline
4a & b	Cash Equivalents held with Treasurer of VA and Restricted Cash Equivalents held with Treasurer of VA Report the amount the institution has in the Local Government Investment Pool with the Treasurer of Virginia and the State Non-Arbitrage Program. List all other cash equivalents held with the Treasurer of VA. Provide a description and amount.
4c & d	Investments held with Treasurer of VA and Restricted Investments held with Treasurer of VA Provide a description and amount of investments held with the Treasurer of Virginia.
5a & b	For any Cash Equivalents held with Treasurer of VA and / or Restricted Cash Equivalents held with Treasurer of VA in the LGIP, provide the LGIP account # and amount.
6a & b	Part 6 is new and is to obtain additional SNAP information. For any Cash Equivalents held with Treasurer of VA and / or Restricted Cash Equivalents held with Treasurer of VA in the SNAP, provide the SNAP account # and amount.
6c & d	If there are SNAP accounts that are not reported in Parts 6a and 6b, the following information is needed: the FST line items and amounts the SNAP accounts are reported under, and SNAP account numbers and amounts.

**Completing
TAB 1B**

Complete this for all cash equivalents and investments reported on the financial statement template.

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Additional Footnote Information for HEI (TABS 2 through 9)

**TAB 2,
Receivables**

This tab (similar to prior year TAB 2) provides gross and allowance amounts by type of receivables. It also provides the amount of receivables as of June 30, 2005 that is expected to be collected after June 30, 2006. This is a footnote disclosure required by GASBS No. 38.

**TAB 3, Capital
Assets**

This tab (similar to prior year TAB 3) provides the following footnote information:

Part 1) Schedule of Changes in Capital Assets

Part 1a) Comparison of Beginning Balances to Prior Year's Ending

Balances: This compares the prior year's ending balances to the current year's beginning balances and calculates differences. The prior year ending balances are keyed in by DOA. The current year beginning balances are linked to Part 1. The HEI must explain the differences.

Part 2) Capital Asset Capitalization Policy

Part 3) Works of Art/Historical Treasures

**TAB 4, Accounts
Payable**

This tab (similar to prior year TAB 4) provides the detail for the amounts reported on the Accounts Payable line item. This disclosure is required by GASBS No. 38.

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Additional Footnote Information for HEI (TABS 2 through 9), *continued*

**TAB 5, LT
Liabilities**

This tab (similar to prior year TAB 5) provides the following footnote information:

Part 1) Schedule of Changes in Long-Term Liabilities

Part 1a) Comparison of Beginning Balances to Prior Year Ending Balances:
This compares the prior year's ending balances to the current year's beginning balances and calculates differences. The prior year ending balances are keyed in by DOA. The current year beginning balances are linked to Part 1. The HEI must explain the differences.

Part 2) Schedule of Installment Purchase Obligations

Part 3) Schedule of Future Capital Lease Payments & Related Capital Asset Balances

Part 4) Bonds Payable (Institutional Debt)

**TAB 5.1, Bond
Defeasance**

This tab is to gather information on **both** the refundings of 9(d) and/ or institutional bonds (excluding 9(c)), during the fiscal year **and** balances as of year-end for current and prior year advance refundings.

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Additional Footnote Information for HEI (TABS 2 through 9), *continued*

**TAB 6,
Commitments**

This tab (similar to prior year TAB 6) provides the following footnote information:

Parts 1 and 3) Operating Leases
Parts 2 and 4) Other Commitments

**TAB 7,
Miscellaneous**

This tab (similar to prior year TAB 7) provides the following footnote information:

Part 1) Inventory
Part 2) Restricted Cash and Cash Equivalents/Restricted Investments/Restricted Other Assets
Part 3) Deferred Revenue
Part 4) GASBS No. 20
Part 5) GASBS No. 33
Part 6) GASBS No. 38
Part 7) Contingent Liabilities
Part 8) Subsequent Events
Part 9) Flow Assumption for Restricted Resources
Part 10) Donor-Restricted Endowments
Part 11) Other Liabilities: This is **new** and requires a description and amounts of what is reported on this line item. The reason for this new requirement is to determine if additional footnote disclosures are necessary for significant amounts reported on this line item.

TAB 8, Short-term Debt

This tab is similar to prior year TAB 8 and provides the detail for short-term debt activity during the year with a party **external** to the Commonwealth. This is a footnote disclosure required by GASBS No. 38.

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Additional Footnote Information for HEI (TABS 2 through 9), *continued*

**TAB 9,
Eliminations**

This is a new tab. Elimination entries to asset and/or liability line items reported on the FST may affect a footnote. For example, if there is an elimination entry to a capital asset line item, the TAB 3 and/or TAB F4 will need to be revised depending on whether the elimination is to the HEI or foundation amount. This tab has the following columns:

- Statement of Net Assets: This column has certain asset and liability line items per the FST.
- Elimination Entries: This column has the elimination entries to these line items and is linked to the FST.
- Is this elimination entry for the HEI and/or foundation amount? This column must be completed by the HEI to document whether the elimination entry is to one of the following amounts: HEI, Foundation, or HEI and Foundation. A drop-down list is provided to select one of these options. Some line items have already been completed because the elimination entry can only be to either the HEI or foundation amount. The institution must provide the information for any other line items with an elimination entry amount.

TAB 9 will identify the applicable footnote that must be adjusted. The file titled Elimination Entries for FST Footnotes is on DOA's website at www.doa.virginia.gov. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." If elimination entries to the footnotes are needed, this file must be completed and submitted with Attachment HE-10.

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Footnote Information for Foundation(s) (TABS F1 through F9)

Background

The foundation footnotes differ from HEI footnotes because foundation(s) follow FASBS rather than GASBS. HEIs are **not** expected to convert foundation FASBS footnotes into GASBS footnotes; however, there will be some additional information needed from foundations in order to report information in the CAFR. TABS F1 through F9 are to gather selected foundation footnote information for the CAFR.

TAB F1

Tab F1, Cash, Cash Eqv, and Inv, include the following:

- Part 1) Answer questions regarding cash and cash equivalents (including restricted cash and cash equivalents).
 - Part 2a) Record the fair value of investments (including restricted investments).
 - Part 2b) State whether any amounts reported in Part 2a are reported at cost rather than fair value.
 - Part 2c) If yes to Part 2b, complete this part.
 - Part 3a) State whether the foundation has any investments in LGIP. If yes, complete TAB F2, SNAP & LGIP.
 - Part 3b) State whether the foundation has any investments in SNAP. If yes, complete TAB F2, SNAP & LGIP.
 - Part 4) State whether the foundation has any derivative instruments. If yes, provide footnote disclosures along with the Attachment HE-10 submission.
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TAB F2

TAB F2, SNAP & LGIP: If the foundation has any investments in SNAP or LGIP during the year or at year-end, provide the account numbers and year-end balances.

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Footnote Information for Foundation(s) (TABS F1 through F9), *continued*

TAB F3

TAB F3, Receivables, include the following:

- Part 1) **Receivables, Net** must have the gross amount of accounts receivable, loans receivable, other receivables, allowance for doubtful accounts, and the net amount expected to be collected in greater than one year. The HEI may need to require this additional information from the foundation if the foundation's Statement of Financial Position and /or footnotes do not clearly indicate the type of receivable, gross and allowance amounts, and the net amount expected to be collected in greater than one year.
- Part 2) **Contributions Receivable, Net** must have the following disclosures: amount due in less than one year, amount due between one and five years, amount due in more than five years, present value discount, allowance for uncollectible contributions, and discount rate used to determine present value.

TAB F4

TAB F4, Capital Assets, include the following:

- Part 1) Provide year-end capital asset amounts by category, gross amounts, and accumulated depreciation amounts. The changes in capital assets are not required for foundations.
- Part 2) Answer various questions regarding capital assets
- Part 3) Provide the capitalization criteria.
- Part 4) Provide the estimated useful lives.

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Footnote Information for Foundation(s) (TABS F1 through F9), *continued*

TAB F5 & F5.1 **TAB F5 and F5.1, LT Liabilities:** The TAB F5 has four parts to obtain descriptions of the following:

- Part 1) Notes Payable
- Part 2) Bonds Payable
- Part 3) Capital Lease Obligations
- Part 4) Installment Purchase Obligations

TAB F5.1 also has four parts, but it is to obtain future payments on the above long-term liabilities. The future payments are for the next five years and then a total for all years thereafter. Capital asset balances must be provided for any capital assets purchased with the capital leases

Note: Some foundations have a December 31st year-end rather than a June 30th year-end. There are separate schedules to complete for the future payments depending on the foundation's year-end.

TAB F6 **TAB F6, Commitments,** include the following:

- Part 1) State whether the foundation has operating lease agreements. If so complete Parts 1b, 1c, and 1d.
 - Part 2) Provide information on any other commitments reported by the foundation as of year-end.
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Footnote Information for Foundation(s) (TABS F1 through F9), *continued*

TAB F7

TAB F7, Miscellaneous, include questions in the following categories:

- Part 1) General,
- Part 2) Inventory,
- Part 3) Restricted Cash and Cash Equivalents, Restricted Investments,
Restricted Other Assets,
- Part 4) Split-Interest Agreements,
- Part 5) Deferred Compensation Liability for Current or Former HEI
Employees,
- Part 6) Deferred Compensation Program for Foundation Employees,
- Part 7) Retirement Plans for Foundation Employees,
- Part 8) Contingent Liabilities,
- Part 9) Subsequent Events, and
- Part 10) Significant Intrafund Balance/Activity Amounts not Eliminated
because of Different Year-End Dates.
- Part 11) Other Liabilities: This is **new** and requires a description and
amounts of what is reported on this line item. The reason for this
new requirement is to determine if additional footnote disclosures
are necessary for significant amounts reported on this line item.

TAB F8

TAB F8, Intrafund: This must be completed if **both** of the following
conditions are met.

- The foundation has a December 31st year-end.
- The HEI and the foundation(s) has significant intrafund balance/activity
amounts reported on the FST that have not been eliminated because of
different fiscal years.

If both conditions are met, provide the FST line items and amounts that were
not eliminated.

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Footnote Information for Foundation(s) (TABS F1 through F9), *continued*

TAB F9

TAB F9, Short-term Debt

Part 1) Complete this part for any amount reported on the Short-term Debt line item. This would include line of credit amounts.

Part 2) Complete this part for any bond anticipation notes payable reported on the Long-Term Liabilities – Bond Anticipation Notes Payable line item.
